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MILK MARKET INFORMATION

CHATTANOOGA, TENNESSEE, MARKETING AREA

JANUARY 1963

Volume 7

Number 6

Released Pursuant to §1090.27 (j) and §1090.85, USDA-AMS
Federal Order No. 90, 5916 Brainerd Road, Chattanooga 11, Tennessee
J. B. McCroskey, Market Administrator

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FEB 27 1963

MARKET SUMMARY JANUARY 1963CURRENT SERIAL RECORDS

The MINIMUM uniform producer price is \$4.29 per cwt. f.o.b. Chattanooga Area pool plants for milk containing 3.5% butterfat. The producer butterfat differential is 7.2 cents for each one-tenth of one percent above or below 3.5 percent. The minimum uniform price is \$4.65 per cwt. for milk containing 4.0% butterfat.

During January, 77.7% of the total producer milk was priced in Class I at \$4.70 per cwt. with a butterfat differential of 7.5 cents and 22.3% in Class II at \$3.09 per cwt. with a butterfat differential of 6.7 cents. The daily average use of Gross Class I milk increased 4.7% compared with December 1962 and increased 6.9% compared with January 1962.

Daily average delivery of milk from producers was 493,018 pounds in January 1963, a decrease of 3,716 pounds per day compared with December 1962 and an increase of 19,434 pounds compared with January 1962. Percentage-wise, January deliveries decreased 0.7% compared with December 1962 and increased 4.1% compared with Jan. 1962.

MILK SAMPLES TESTED - Producer Fresh Samples 5,621 - Handler Finished Products 212.

MILK BASE -- 1963

New bases will be announced by February 28, 1963. Milk Bases were established during September 1962 thru January 1963. These bases are to be used for calculating payment for milk deliveries during March thru July 1963. If you do not receive your Milk Base Notice soon after March 1, 1963, please notify the Market Administrator.

CHATTANOOGA MARKETING AREA POOL AND NON-POOL PLANTS

<u>Pool Plants</u>	<u>County</u>	<u>Address</u>
Associated Dairies, Inc.	Hamilton	Chattanooga, Tennessee
Chattanooga Area Milk Prod. Assn.	Hamilton	Chattanooga, Tennessee
Cunninghams Dairy	Catoosa	Rossville, Georgia
Grant-Patten Milk Co., Inc.	Hamilton	Chattanooga, Tennessee
Happy Valley Farms, Inc.	Walker	Rossville, Georgia
C. D. Haslerig & Sons Dairy	Walker	Chickamauga, Georgia
Home Stores, Inc.	Hamilton	Chattanooga, Tennessee
Mayfield Dairy Farms, Inc.	McMinn	Athens, Tennessee
Ray Moss Farms, Inc.	Hamilton	Chattanooga, Tennessee
Sealtest Foods-Southern Division	Hamilton	Chattanooga, Tennessee
 <u>Non-Pool Plants</u>		
Columbia Dairy Products	Coffee	Tullahoma, Tennessee
Nance's Dairy, Inc.	Catoosa	Ringgold, Georgia
French Broad Dairy, Inc.*	Knox	Knoxville, Tennessee
Miss Tennessee Dairies, Inc.*	Knox	Knoxville, Tennessee
Stoffell's Dairy, Inc.*	Knox	Knoxville, Tennessee

* Regulated as pool plants by Federal Order No. 101, Knoxville, Tennessee

COMPARISON OF GROSS MILK RECEIPTS AND UTILIZATION

	<u>Jan. '63</u>	<u>Dec. '62</u>	<u>Jan. '62</u>
Number of Plants (Pool and Non-Pool)	15	14	16
<u>GROSS RECEIPTS POUNDS (DAILY AVERAGE)</u>			
Producer Deliveries	493,018	496,734	473,584
% January '63 compared with:	100.0	99.3	104.1
Other Source	9,585	10,185	6,427
Other Order	5,658	6,572	6,613
Total Milk Receipts	508,261	513,491	486,624
% January '63 compared with:	100.0	99.0	104.4
<u>GROSS UTILIZATION POUNDS (DAILY AVERAGE)</u>			
Class I Uses:			
Fluid Milk	313,948	299,605	298,931
Fluid Skim	19,238	17,453	15,837
Buttermilk	39,582	39,814	37,580
Chocolate Milk	8,860	8,029	7,147
Fluid Creams (Sweet & Sour)	2,531	2,958	2,360
Bulk to Non-Handlers	5,112	3,482	3,253
Shrinkage Class I	669	1,008	1,756
Other	(302)	(329)	(2,380)
Total Class I Milk	389,638	372,020	364,484
% January '63 compared with:	100.0	104.7	106.9
Class II Uses:			
Butter	3,786	6,686	16,949
Cottage Cheese	16,799	13,375	14,798
Powdered and Condensed Milk	52,042	71,316	58,729
Ice Cream	32,980	27,523	15,284
Stockfeed	3,481	4,122	4,191
Shrinkage Class II	8,094	7,259	7,854
Other	1,441	11,190	4,335
Total Class II Milk	118,623	141,471	122,140
% January '63 compared with:	100.0	83.8	97.1
Gross Class I Butterfat Pounds	13,731	13,176	12,831
Gross Class II Butterfat Pounds	8,021	9,059	8,319
Total Butterfat Pounds	21,752	22,235	21,150
% Producer Milk of Gross Class I	126.5	133.5	129.9
% Producer Milk Priced in Class I	77.7	73.9	76.0

FEBRUARY 1963 CLASS I MINIMUM PRICE COMPUTATION INCLUDING SUPPLY-DEMAND ADJUSTMENT

	<u>Feb. '63</u>	<u>Jan. '63</u>	<u>Feb. '62</u>
Basic Formula	\$3.10	\$3.11	\$3.255
Plus Class I Differential	1.75	1.75	1.75
Supply-Demand Adjustment	(0.22)	(0.16)	(0.24)
Class I Price, 3.5% Butterfat	\$4.63	\$4.70	\$4.765
Class I Price, 4.0% Butterfat	\$5.005	\$5.075	\$5.16
Per \$ 1090.51 (a)			

Supply-Demand Comparison: 1st and 2nd preceding months: December and January
Supply: Lbs. Producer Milk (Dec. 15,398,745 and Jan. 15,283,557) 30,682,302
Demand: Lbs. Net Class I Milk (Dec. 11,396,214 and Jan. 11,894,350) 23,290,564
Utilization Percentage: Producer milk divided by Class I 132
Standard Utilization Percentage: Range 117-121 121
Net Deviation Percentage: Utilization minus Standard Utilization plus 11
Supply-Demand Adjustment: 2 cents x 11 percentage points minus \$0.22

Since the supply in relation to the demand is more than the desired standard, the price is decreased 22 cents per hundredweight (2 cents x 11 percentage points).

COMPUTATION OF UNIFORM PRODUCER PRICE FOR JANUARY 1963

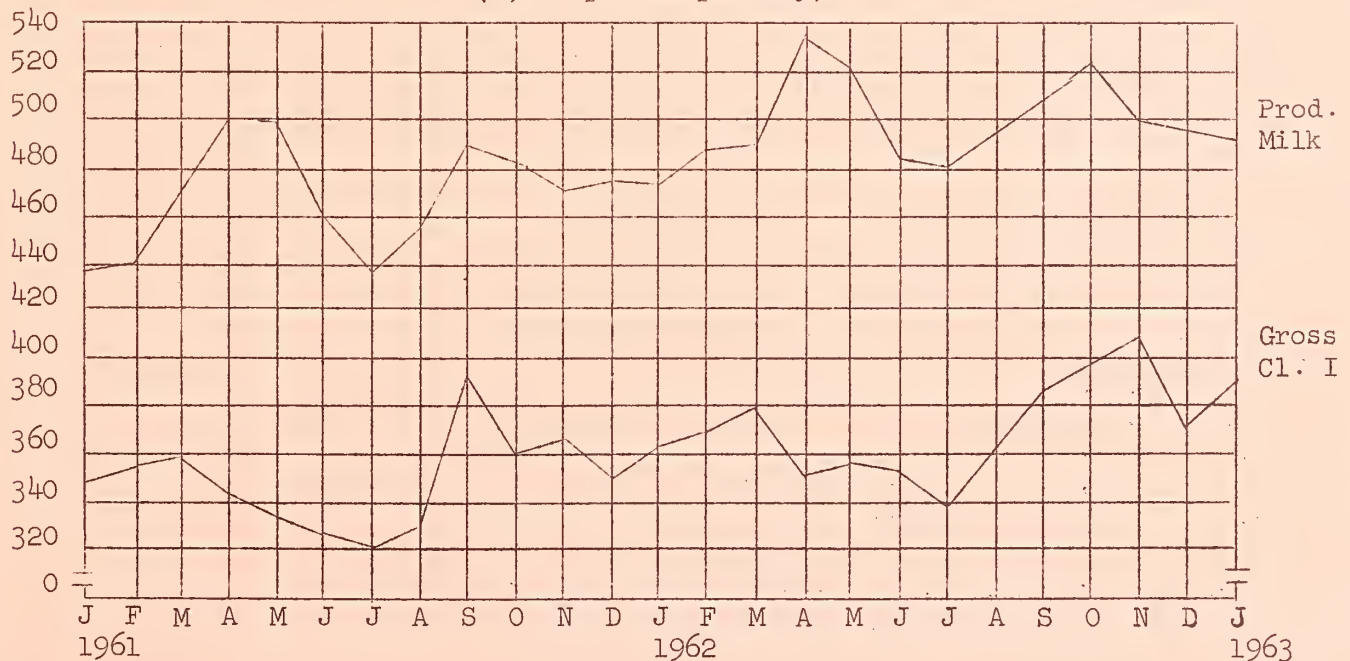
Based on 15 plant reports prior to audit

	Class %	Milk Pounds	Butterfat Test-%	Cwt. Price @ Test	Value
Gross Class I		12,078,801	3.524		
Less Other Source		201,358	2.511		
Producer Milk Class I	77.7	11,877,443	3.541360	\$4.731020	\$561,924.20
Gross Class II		3,677,299	6.762		
Less Other Source		271,185	0.999		
Producer Milk Class II	22.3	3,406,114	7.220839	5.582962	190,162.05
TOTAL PROD. (Cl. I + Cl. II)	100.0	15,283,557	4.361373		752,086.25
Add Fractional Adjustment					0.04
Add Compensatory Payment Value					256.02
Add Inventory Reclassification Value					38.40
Add $\frac{1}{2}$ Producer-Settlement Fund Reserve					5,543.47
TOTAL VALUE AT TEST		15,283,557	4.361373		757,924.18
Less Test Over 3.5% @ 7.2¢ per point		15,283,557	.861373	0.620189	94,786.94
TOTAL VALUE AT 3.5%		15,283,557	3.5	4.338893	663,137.24
Less Producer-Settlement Fund Reserve		15,283,557		.048893	7,472.59
UNIFORM PRICE f.o.b. POOL PLANT 3.5%		15,283,557	3.5	\$4.29	\$655,664.65

JANUARY 1963 MINIMUM PRODUCER PRICES CWT. f.o.b. CHATTANOOGA POOL PLANT (0-65 Mile Zone)
 BUTTERFAT DIFFERENTIAL 7.2¢ PER POINT (EXCLUDES PREMIUMS)

TEST	PRICE	TEST	PRICE	TEST	PRICE	TEST	PRICE	TEST	PRICE
3.0	\$3.93	3.6	\$4.362	4.2	\$4.794	4.8	\$5.226	5.4	\$5.658
3.05	3.966	3.65	4.398	4.25	4.83	4.85	5.262	5.45	5.694
3.1	4.002	3.7	4.434	4.3	4.866	4.9	5.298	5.5	5.73
3.15	4.038	3.75	4.47	4.35	4.902	4.95	5.334	5.55	5.766
3.2	4.074	3.8	4.506	4.4	4.938	5.0	5.37	5.6	5.802
3.25	4.11	3.85	4.542	4.45	4.974	5.05	5.406	5.65	5.838
3.3	4.146	3.9	4.578	4.5	5.01	5.1	5.442	5.7	5.874
3.35	4.182	3.95	4.614	4.55	5.046	5.15	5.478	5.75	5.91
3.4	4.218	4.0	4.65	4.6	5.082	5.2	5.514	5.8	5.946
3.45	4.254	4.05	4.686	4.65	5.118	5.25	5.55	5.85	5.982
3.5	4.29	4.1	4.722	4.7	5.154	5.3	5.586	5.9	6.018
3.55	4.326	4.15	4.758	4.75	5.19	5.35	5.622	5.95	6.054

DAILY AVERAGE PRODUCER RECEIPTS COMPARED TO GROSS CLASS I UTILIZATION
 (1,000 pounds per day)



PRODUCTION BY STATES AND COUNTIES
FOR THE CHATTANOOGA MARKETING AREA

States and Counties	December 1962				December 1961			
	Pounds Milk Delivered	% of Total	No. of Prod.	Daily Av. Lbs. Per Farm	Pounds Milk Delivered	% of Total	No. of Prod.	Daily Av. Lbs. Per Farm
<u>TENNESSEE</u>								
Bledsoe	339,409	2.20	20	547	322,430	2.18	19	547
Bradley	2,658,378	17.26	128	670	2,588,549	17.51	130	642
Coffee	89,548	.58	4	722	101,921	.69	5	658
Cumberland	135,569	.88	7	625	189,613	1.28	8	765
Franklin	1,005,383	6.52	40	811	855,434	5.79	39	708
Grundy**								
Hamilton	1,273,161	8.27	50	821	1,304,853	8.83	54	779
Loudon	338,006	2.20	13	839	333,167	2.25	13	827
Marion	423,718	2.75	25	547	325,324	2.20	24	437
McMinn	3,885,757	25.24	171	733	3,446,248	23.32	166	670
Meigs	636,538	4.13	33	622	644,167	4.36	37	562
Monroe	684,676	4.45	22	1,004	820,538	5.55	28	945
Polk	535,326	3.48	22	785	504,225	3.41	21	775
Rhea	430,837	2.80	22	632	430,702	2.91	24	579
Sequatchie	558,723	3.63	25	721	593,906	4.02	27	710
Total	12,995,029	84.39	582	720	12,461,077	84.30	595	676
<u>GEORGIA</u>								
Catoosa	794,856	5.16	27	950	852,808	5.77	32	860
Walker	1,007,845	6.55	33	985	995,144	6.73	33	973
Others*	125,424	.81	5	809	85,410	.58	3	918
Total	1,928,125	12.52	65	957	1,933,362	13.08	68	917
<u>ALABAMA</u>								
DeKalb	217,096	1.41	12	584	213,417	1.45	13	530
Jackson	257,902	1.68	9	924	173,169	1.17	9	621
Total	474,998	3.09	21	730	386,586	2.62	22	567
<u>TOTAL MARKET</u>	15,398,152	100.00	668	744	14,781,025	100.00	685	696

* 1961 - 1 producer in each Chattooga, Dade, and Fannin counties

1962 - 1 producer in each Chattooga, Dade, Fannin, Fayette, and Fulton counties

** 1962 - 1 producer in Grundy county included with Franklin county

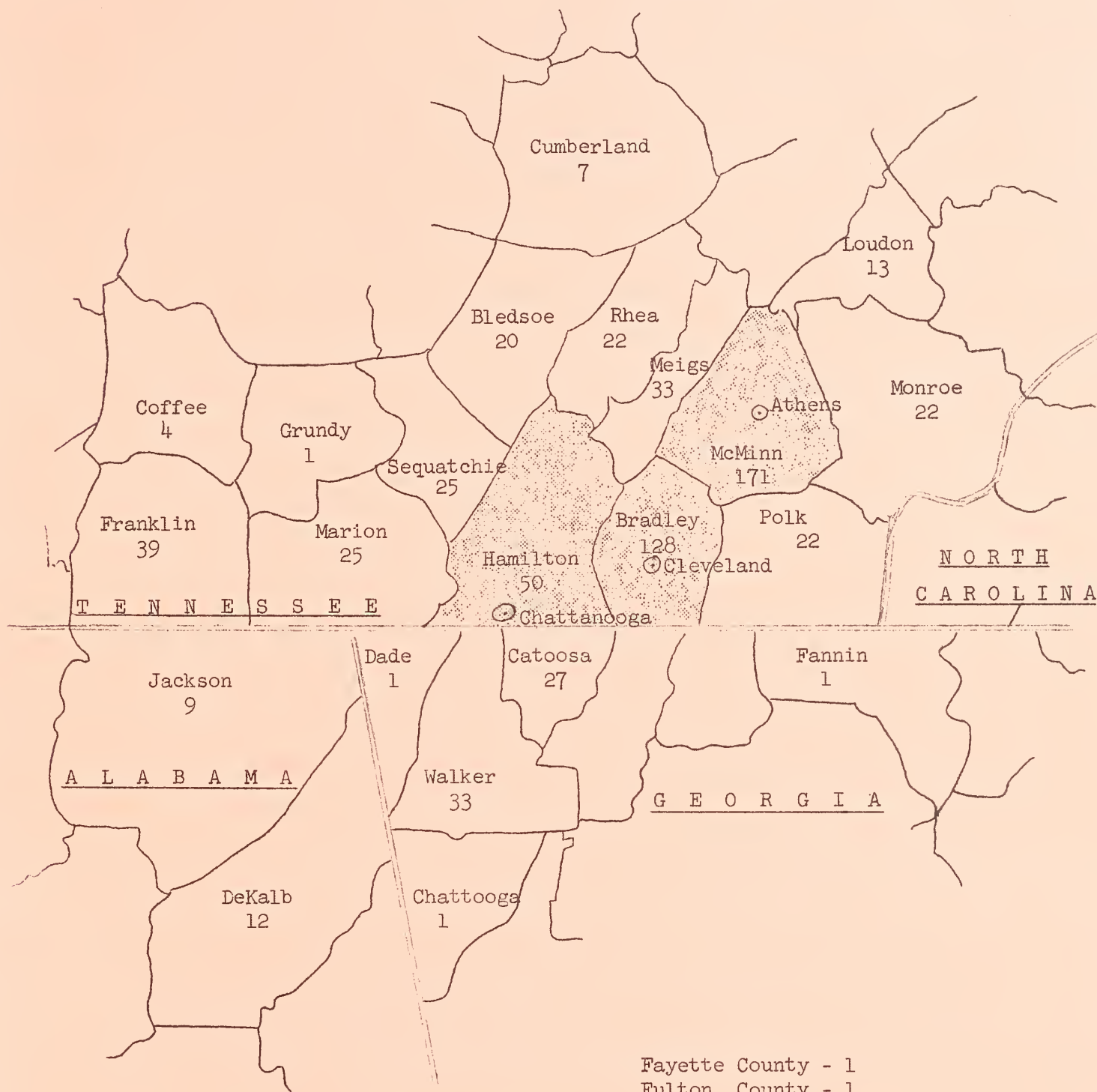
COMPARISON OF PRODUCER RECEIPTS AND GROSS CLASS I (DAILY AVERAGE)

Month	PRODUCER RECEIPTS			GROSS CLASS I		
	1962	1961	1960	1962	1961	1960
Jan.	473,584**	438,370	418,023	364,484	348,486	356,801
Feb.	487,977	441,509	411,790	370,985	356,369	365,338
Mar.	491,493	470,370	388,659**	379,540	358,734	364,784
Apr.	536,251*	500,275*	443,554	352,989	344,138	364,048
May	522,955	499,424	444,101	356,897	335,018	336,344
June	486,065	460,325	390,059	353,585	326,883	327,515
July	480,832	437,762**	391,646	338,196**	320,886**	327,075**
Aug.	496,326	455,739	406,758	361,566	331,130	336,437
Sept.	508,196	490,621	453,829	385,941	392,792*	384,465*
Oct.	525,608	484,032	461,276*	397,921	360,250	357,470
Nov.	500,085	472,399	456,896	408,451*	367,959	357,816
Dec.	496,734	476,780	441,649	372,020	352,155	348,283
Simple Average	500,509	468,967	425,687	370,215	349,567	352,198

* High Month of Year

** Low Month of Year

CHATTANOOGA AREA MILKSHED - DECEMBER 1962



CHATTANOOGA MILK MARKETING AREA - As defined in Federal Order No. 90 includes all the territory within the boundaries of Bradley, Hamilton, and McMinn counties Tennessee. Milkshed includes counties listed and number of producers per county as of December 1962. The boundaries of two Georgia counties (Fayette and Fulton) are not shown on this map.

CHATTANOOGA ORDER MILK PRICES (3.5 PERCENT MILK)

Date	PRODUCER UNIFORM PRICES ^{1/}				HANDLER CLASS PRICES ^{1/}			
	Per Hundredweight				Class I		Class II	
	Uniform	Base	Excess	Bf.Dif.	Cwt.	Bf.Dif.	Cwt.	Bf.Dif.
Jan.'62	\$4.36	-	-	7.6¢	\$4.765	7.9¢	\$3.30	7.0¢
Feb.	4.23	-	-	7.6	4.765	7.9	2.77	7.0
Mar.	4.25 ^{2/}	\$4.39	\$2.61	7.6	4.785	7.9	2.68	7.0
Apr.	4.03 ^{2/}	4.25	2.59	7.4	4.845	7.9	2.665	6.7
May	3.93 ^{2/}	4.12	2.60	7.2	4.575	7.5	2.665	6.7
June	4.00 ^{2/}	4.16	2.60	7.2	4.535	7.5	2.665	6.7
July	4.01 ^{2/}	4.19	2.59	7.2	4.655	7.5	2.655	6.7
Aug.	4.05	-	-	7.2	4.60	7.5	2.66	6.7
Sept.	4.02	-	-	7.2	4.37	7.5	3.06	6.7
Oct.	4.03	-	-	7.2	4.39	7.6	3.05	6.7
Nov.	4.20	-	-	7.2	4.52	7.5	3.09	6.7
Dec.	4.20	-	-	7.2	4.65	7.5	3.09	6.7
Jan.'63	4.29	-	-	7.2	4.70	7.5	3.09	6.7
Feb.	-	-	-	-	4.63	7.5	-	-

PRICES USED IN DETERMINING CLASS PRICES AND BUTTERFAT DIFFERENTIALS

Date	CLASS II ALTERNATIVE FORMULAS \$-cwt-3.5%		PRICE QUOTATIONS			BASIC FORMULA Minn.-Wisc. Mfg.Grade Milk ^{4/} \$-cwt-3.5%
	4 Tenn. Milk Mfg.	Butter Powder	4 Tenn. Milk Mfg. \$-cwt-4%	Chi.92° Butter ¢ Lb.	Chi.Area Powders ¢ Lb.	
Jan.'62	2.80	3.30	3.15	60.466	15.260	-
Feb.	2.77	3.30	3.12	60.466	15.200	-
Mar.	2.68	3.30	3.03	60.466	15.060	-
Apr.	2.665	3.125	3.00	57.957	14.125	-
May	2.665	3.085	3.00	57.966	13.530	-
June	2.665	3.045	3.00	57.940	13.330	-
July	2.655	3.045	2.99	57.960	13.370	3.03
Aug.	2.66	3.05	3.00	57.970	13.270	3.04
Sept.	2.66	3.06	3.00	58.280	13.400	3.06
Oct.	2.66	3.05	3.00	57.960	13.440	3.07
Nov.	2.72	3.09	3.05	57.990	13.760	3.10
Dec.	2.75	3.09	3.08	57.980	13.860	3.11
Jan.'63	2.76	3.09	3.10	57.970	13.920	3.10

SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE POUNDS)

Date	HANDLER GROSS MILK ^{3/}			PRODUCER DATA ^{3/}				Deliveries Per			Prod.
	No.	Total	Class I	Class I	Total	Base	No.	Farm-----Pounds			Milk
	Hdlrs.	Receipt	Use	Use	Delivery	Delivery	Prod.	Prod.	Base	Exc.	Test%
Jan.'62	16	486,624	364,484	359,962	473,584	-	685	691	-	-	4.40
Feb.	15	502,394	370,985	366,116	487,977	-	683	714	-	-	4.23
Mar.	15	506,148	379,540	374,558	491,493	453,153	681	722	665	57	4.22
Apr.	14	558,864	352,989	348,757	536,251	466,013	680	789	685	104	4.13
May	14	546,419	356,897	352,503	522,955	459,802	678	771	678	93	4.03
June	14	510,155	353,585	349,410	486,065	437,132	678	717	645	72	4.08
July	14	506,519	338,196	334,149	480,832	425,757	677	710	629	81	4.05
Aug.	14	521,314	361,566	357,051	496,326	-	677	733	-	-	4.04
Sept.	14	528,521	385,941	381,658	508,196	-	673	755	-	-	4.09
Oct.	14	541,862	397,921	393,375	525,608	-	673	781	-	-	4.29
Nov.	14	514,930	408,451	403,240	500,085	-	672	744	-	-	4.41
Dec.	14	513,491	372,020	367,290	496,734	-	668	744	-	-	4.41
Jan.'63	15	508,261	389,638	383,143	493,018	-	666	740	-	-	4.36

^{1/} Excludes Premiums^{2/} For statistics only^{3/} Other Source is Gross minus Producer; Class II is Receipts minus Class I^{4/} Effective with Order Amendment August 1962